

Press release



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LIFEWATCH AND TRACKER ANNOUNCE JOINT-VENTURE

LifeWatch products now also available in Switzerland

Neuhausen am Rheinfall/Rüschlikon – LifeWatch AG (SIX Swiss Exchange: LIFE), the leading provider of wireless telemedicine and other monitoring services in the U.S., and Tracker (Tracker.ch AG), the leading Swiss provider for Internet tracking solutions using GPS and GPRS technology, today announced a joint venture. This cooperation gives LifeWatch exclusive access to the tracking technology developed by Tracker and to all established distribution channels of Tracker. Thus LifeWatch can further strengthen its market position. A first product named *LifeTracker*, which the two companies developed together, will already be launched in December 2011. Another innovative product launch is scheduled for the first quarter 2012.

The joint venture announced today represents a strategic milestone in the history of both companies. It opens up new development perspectives for both partners who are market leaders in their respective industry and markets. For LifeWatch this is the first major market entry outside the U.S. and an important step toward more geographic diversification. LifeWatch Europe AG, a 100% subsidiary of LifeWatch AG, will hold 51% ownership and Tracker 49%.

With this joint venture LifeWatch AG gains exclusive access to the machine-to-machine (M2M) based tracking-technology developed by Tracker.com. M2M solutions represent currently the biggest growth market in ICT. Additionally, LifeWatch gains access to all established distribution channels (Wholesale, retail and specialty stores) of Tracker in Switzerland. Furthermore negotiations with reputable institutions of the Swiss healthcare industries are under way. During the first phase the joint venture will focus only on the Swiss market. The second phase is dedicated to the market entry into the neighbouring European healthcare markets. Moreover LifeWatch can rely on the long standing know how of Guido Honegger's solution.ch group (solution.ch AG, Tracker.com, Nexphone AG, iway AG). Solution.ch and its group companies cover all needs of modern ICT. Thus the joint venture will contribute to the value chain of both companies.

A first product developed together will be launched into the market under the product brand *LifeTracker* in December 2011. *LifeTracker* is an innovative cell phone targeted at people aged 60 and over. A next product launch is expected for the first quarter 2012. Using this product the client can choose among several features from a modular package satisfying his specific needs. At the same time this device, which is a virtual phone app for android smart phones, will break the ground for new solutions in medical data transfer via M2M technology. The app enables via Bluetooth the direct transfer of hypertension and diabetes data from measuring devices on the virtual phone to medical organizations or physicians. With this advanced data transfer technology the Company creates a significant and noticeable added value for patients, physicians, clinics and labs. The automation of medical data transfer processes can make a considerable contribution to lowering costs in the Swiss federal healthcare system. With its long-standing experience in the U.S. market, Life Watch is particularly well positioned to help lower healthcare costs.

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About LifeWatch AG:

LifeWatch AG, headquartered in Neuhausen am Rheinfall, Switzerland and listed on SIX Swiss Exchange (LIFE), is the leading healthcare technology and solutions company, specializing in advanced telemedicine systems and wireless remote patient monitoring services. LifeWatch provides services to high-risk and chronically ill patients, health conscious consumers and wellness programs. LifeWatch has subsidiaries in the United States, the Netherlands, Japan, the United Kingdom, Switzerland and Israel. LifeWatch AG is the parent company of LifeWatch Services, Inc., a leading US-based wireless remote telemedicine provider. LifeWatch services include Home Sleep Testing for Obstructive Sleep Apnea patients under the brand name NiteWatch. For additional information, please visit www.lifewatch.com.

About Tracker.com:

Tracker.com develops and markets innovative global functioning Internet tracking solutions using GPS and GPRS technology. Solutions developed by Tracker.com are suitable for numerous applications and are characterized by an intuitive and easy operation. The main application areas of the Tracker.com solutions are logistics and objects as well as the localization of humans and animals and applications for sport. Our solutions are continually developed and comply with the latest technology standards. A free Tracker.com iPhone and Android App is also available. Tracker.ch AG is a member of the Solution.ch group and was founded in May 2010. CEO of tracker.ch AG is Guido Honegger.

This press release includes forward-looking statements. All statements other than statements of historical facts contained in this press release, including statements regarding future results of operations and financial position, business strategy and plans and objectives for future operations, are forward-looking statements. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect" and similar expressions are intended to identify forward-looking statements. LifeWatch AG has based these forward-looking statements largely on current expectations and projections about future events and financial trends that it believes may affect the financial condition, results of operations, business strategy, short term and long term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances described may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. All forward-looking statements are based only on data available to LifeWatch AG at the time of the issue of this press release. LifeWatch AG does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

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